

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 SP-02 L-02 TRSE-00 COME-00 AID-05

XMB-02 OMB-01 CIAE-00 INR-07 NSAE-00 FRB-03 SS-15

NSC-05 /062 R

DRAFTED BY EB/IFD/OMA:MMINNIES:DLS

APPROVED BY EB/IFD:PHBOEKER

TREAS:FMARESCA (INFO)

----- 075810

R 170041Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY WARSAW

LIMITED OFFICIAL USE STATE 115796

E.O. 11652:

TAGS: EFIN

SUBJECT: PL-480 DEFERRAL AND ANNUITY AGREEMENT

1. FOLLOWING IS TEXT OF U.S. NOTE SIGNED AFTERNOON MAY 15, 1975:

QUOTE: EXCELLENCY: I HAVE THE HONOR TO REFER TO THE AGRICULTURAL COMMODITIES AGREEMENTS BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE POLISH PEOPLE'S REPUBLIC SIGNED ON JUNE 7, 1957, JUNE 10, 1959, AND JULY 21, 1969, AS FROM TIME TO TIME AMENDED, HEREINAFTER REFERRED TO COLLECTIVELY AS THE AGREEMENTS.

2. I WISH TO CONFIRM THE UNDERSTANDING REACHED BETWEEN OUR TWO GOVERNMENTS CONCERNING THE SALE TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA OF DOLLAR EXCHANGE FOR UNUSED BALANCES REMAINING IN THE DOLLAR DENOMINATED ACCOUNTS PURSUANT TO PARAGRAPH 2(D) OF ARTICLE III OF EACH OF THE AGREEMENTS; SUCH PARAGRAPHS BEING HEREINAFTER REFERRED TO COLLECTIVELY AS THE DOLLAR PURCHASE PROVISIONS.

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3. (1) SUBJECT TO PARAGRAPHS 2, 3 AND 4 HEREOF, THE GOVERNMENT OF THE UNITED STATES OF AMERICA AGREES TO DEFER

ITS RIGHT UNDER THE DOLLAR PURCHASE PROVISIONS OF THE

AGREEMENTS TO PURCHASE THE AMOUNTS OF DOLLAR EXCHANGE
SET FORTH OPPOSITE THE AGREEMENTS REFERRED TO IN THE
FOLLOWING SCHEDULE DURING THE DOLLAR CALENDAR YEARS INDI-
CATED IN SAID SCHEDULE.-----CALENDAR YEAR

DATE OF AGREEMENT-----197 -----1976 -----1977

JUNE 7, 1957 (DOLS) ----- 2,170,000

JUNE 10, 1959 (DOLS) 3,240,000 3,240,000 3,240,000

JULY 21, 1960 (DOLS) 4,330,000/1/4,330,000/1/

/1/ LESS THE AMOUNT UTILIZED BY THE GOVERNMENT OF THE

UNITED STATES OF AMERICA IN 1974 AND 1975 PURSUANT TO
PARAGRAPH (5), AS AMENDED, OF THE 1968 ANNUITY AGREEMENT
REFERRED TO IN PARAGRAPH 5 HEREOF.

4. (2) THE GOVERNMENT OF THE UNITED STATES OF AMERICA
UNDERSTANDS THAT THE GOVERNMENT OF THE POLISH PEOPLE'S
REPUBLIC AGREES THAT, IF THE GOVERNMENT OF THE UNITED
STATES OF AMERICA SHALL SO ELECT, THE NATIONAL BANK OF
POLAND WILL, ON THE DATE ESTABLISHED IN THE DOLLAR
PURCHASE PROVISION OF EACH AGREEMENT, SELL TO THE GOVERN-

MENT OF THE UNITED STATES OF AMERICA FROM THE UNUSED
BALANCE REMAINING IN THE DOLLAR DENOMINATED ACCOUNT ES-

TABLISHED UNDER ARTICLE III OF SUCH AGREEMENT: (A) AN
AMOUNT OF DOLLAR EXCHANGE IN EACH OF THE YEARS 1968
THROUGH 1985 EQUAL TO ONE EIGHTH OF THE AMOUNT WHICH THE
GOVERNMENT OF THE UNITED STATES OF AMERICA DEFERRED IN
RESPECT OF 1975 PURSUANT TO PARAGRAPH 1 HEREOF, (B) AN
AMOUNT OF DOLLAR EXCHANGE IN EACH OF THE YEARS 1979
THROUGH 1985 EQUAL ONE SEVENTH OF THE AMOUNT WHICH THE
GOVERNMENT OF THE UNITED STATES OF AMERICA DEFERRED IN
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RESPECT OF 1976 PURSUANT TO PARAGRAPH 1 HEREOF, AND (C)
AN AMOUNT OF DOLLAR EXCHANGE IN EACH OF THE YEARS 1980
THROUGH 1985 EQUAL TO ONE SIXTH OF THE AMOUNT WHICH THE
GOVERNMENT OF THE UNITED STATES OF AMERICA DEFERRED IN
RESPECT OF 1977 PURSUANT TO PARAGRAPH 1 HEREOF,
IN ADDITION TO THE AMOUNT OF DOLLAR EXCHANGE WHICH THE
GOVERNMENT OF THE UNITED STATES OF AMERICA MAY ELECT TO
PURCHASE IN SUCH YEARS IN ACCORDANCE WITH THE DOLLAR
PURCHASE PROVISION OF SUCH AGREEMENT.

5. (3) THE GOVERNMENT OF THE UNITED STATES OF AMERICA
FURTHER UNDERSTANDS THAT THE GOVERNMENT OF THE POLISH
PEOPLE'S REPUBLIC AGREES TO PAY TO THE GOVERNMENT OF

THE UNITED STATES OF AMERICA ANNUALLY, IN DOLLARS, IN-

TEREST AT THE RATE OF 7.85 PERCENT PER ANNUM ON AN
AMOUNT EQUAL TO THE LESSER OF (A) THE AMOUNT DEFERRED
UNDER PARAGRAPH 1 HEREOF LESS THE AMOUNT PURCHASED UNDER
SUB-PARAGRAPHS 2(A), (B) AND (C) HEREOF, OR (B) THE
UNUSED BALANCE IN THE DOLLAR DENOMINATED ACCOUNT AS OF

THE DAY FOLLOWING THE THEN PRECEDING INTEREST PAYMENT
DATE. INTEREST SHALL ACCRUE FROM THE DATE ON WHICH THE

AMOUNT DEFERRED UNDER PARAGRAPH 1 HEREOF COULD OTHERWISE
HAVE BEEN PURCHASED, AND PAYMENTS OF INTEREST SHALL BE
MADE ON THE DATE IN EACH YEAR SPECIFIED FOR THE
EXERCISE BY THE GOVERNMENT OF THE UNITED STATES OF
AMERICA OF ITS RIGHT UNDER THE DOLLAR PURCHASE PROVISIONS
COMMENCING IN 1976 IN RESPECT OF THE RIGHTS DEFERRED
FROM 1977.

6. (4) NOTHING HEREIN SHALL BE DEEMED TO AMEND OR
AFFECT THE TERMS AND CONDITIONS OF THE AGREEMENTS OTHER
THAN AS SPECIFICALLY SET FORTH HEREIN.

7. (5) THE AGREEMENT EFFECTED BY EXCHANGE OF NOTES
SIGNED AT WARSAW AUGUST 6, 1968, RELATING TO U.S.
GOVERNMENT PENSIONS, AS FROM TIME TO TIME AMENDED, IS
HEREBY TERMINATED AS OF JUNE 30, 1975, AND THE PROVISIONS
THEREOF SHALL THEREAFTER BE OF NO FURTHER FORCE AND
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EFFECT; PROVIDED, HOWEVER, THAT THE PROVISIONS OF
PARAGRAPHS (2) THROUGH (6) THEREOF SHALL CONTINUE TO BE
IN FULL FORCE AND EFFECT WITH RESPECT TO VOUCHERS ISSUED
IN ACCORDANCE WITH PARAGRAPH (1) THEREOF ON OR PRIOR
TO JUNE 30, 1975. AFTER JUNE 30, 1975, THE GOVERNMENT
OF THE UNITED STATES OF AMERICA MAY DISCHARGE ITS OBLI-
GATIONS TO PAY DOLLAR ANNUITIES TO PERSONS ENTITLED
THERE TO RESIDING IN POLAND, HEREINAFTER CALLED THE
ANNUITANTS, BY MAILING DOLLAR CHECKS THEREFOR TO THE
ANNUITANTS. SUCH CHECKS SHALL INDICATE THE NAME AND
ADDRESS IN POLAND OF THE PAYEE AND SHALL ALSO INDICATE
THAT THEY ARE PAID IN RESPECT OF ANNUITY BENEFITS. THE
GOVERNMENT OF THE UNITED STATES AGREES TO INFORM THE
ANNUITANTS AS TO THE SUBSTANCE OF THIS AGREEMENT AND,
IN CONNECTION THEREWITH, WILL INFORM THE ANNUITANTS AS
TO THE LAWS AND REGULATIONS OF POLAND RELATING TO THE
NEGOTIATION OF SUCH CHECKS.

8. THE GOVERNMENT OF THE POLISH PEOPLE'S REPUBLIC
AGREES THAT: (A) DURING THE PERIOD FROM JUNE 30, 1975,
THROUGH DECEMBER 31, 1977, IT WILL PERMIT THE ANNUITANTS

TO EXCHANGE 20 PERCENT OF THE DOLLARS SO RECEIVED FOR COUPONS OF THE BANK POLSKA KASA OPIEKI S.A., HEREINAFTER CALLED THE PKO BANK, VALID FOR PAYMENT OF GOODS PURCHASED IN FOREIGN CURRENCY STORES, AND THE ANNUITANTS SHALL BE ENTITLED TO EXCHANGE DOLLARS SO RECEIVED AND NOT EXCHANGED FOR SAID COUPONS FOR POLISH ZLOTYS AT A RELATIONSHIP NO

LOWER THAN WHICHEVER OF THE FOLLOWING RELATIONSHIPS IS MORE FAVORABLE TO SUCH ANNUITANTS: (I) THE RELATIONSHIP SPECIFIED IN SCHEDULE A OR (II) A RELATIONSHIP NOT LESS FAVORABLE THAN THE MOST FAVORABLE EFFECTIVE RELATIONSHIP ACCORDED ANNUITIES RECEIVED BY RESIDENTS OF POLAND FROM ANY THIRD COUNTRY, AND (B) ON AND AFTER JANUARY 1, 1978, IT WILL PERMIT THE ANNUITANTS TO EXCHANGE THE DOLLARS SO RECEIVED INTO POLISH ZLOTYS THROUGH THE SOCIAL SECURITY ENTERPRISE, ZAKLAD UBEZPIECZEN SPOLECZNYCH, AT A RELATIONSHIP NOT LESS FAVORABLE THAN THE MOST FAVORABLE EFFECTIVE RELATIONSHIP ACCORDED ANNUITIES RECEIVED BY

RESIDENTS OF POLAND FROM ANY THIRD COUNTRY, AND THE LIMITED OFFICIAL USE
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ANNUITANTS AND THEIR FAMILIES SHALL HAVE THE RIGHT TO MEDICAL SERVICES TO THE SAME EXTENT AND ON THE SAME BASIS AS ANY RESIDENTS OF POLAND WHO ARE RECEIVING ANNUITIES OR PENSIONS IN POLAND. IN ADDITION, THE ANNUITANTS WILL

HAVE THE RIGHT TO OTHER SOCIAL BENEFITS ACCORDED UNDER POLISH LAWS AND REGULATIONS TO RESIDENTS OF POLAND WHO ARE RECEIVING ANNUITIES FROM ANY THIRD COUNTRY.

9. THE GOVERNMENT OF POLAND FURTHER AGREES THAT THE ANNUITANTS SHALL BE ENTITLED TO TREATMENT, IN MATTERS RELATING TO THE RECEIPT AND DISPOSITION OF THEIR ANNUITIES, INCLUDING RIGHTS TO THE PURCHASE OF COUPONS OF THE

PKO BANK, NO LESS FAVORABLE THAN THAT ACCORDED RESIDENTS OF POLAND WHO ARE RECEIVING ANNUITIES FROM ANY THIRD COUNTRY.

10. THE BENEFITS OF THIS AGREEMENT WILL ALSO BE EXTENDED TO ALL RESIDENTS OF POLAND WHO RECEIVE ANNUITIES FROM NON-GOVERNMENTAL ENTITIES OF THE UNITED STATES OF AMERICA.

11. I HAVE THE HONOR TO PROPOSE THAT THIS NOTE AND YOUR REPLY CONFIRMING THE UNDERSTANDINGS CONTAINED HEREIN SHALL ENTER INTO FORCE ON THE DATE OF YOUR REPLY.

12. ACCEPT, EXCELLENCY, THE RENEWED ASSURANCE OF MY HIGHEST CONSIDERATION. FOR THE SECRETARY OF STATE:
PAUL H. BOEKER, DEPUTY ASSISTANT SECRETARY OF STATE.

13. SCHEDULE A:-----RELATIONSHIP OF
PERIOD -----ZLOTYS TO DOLLAR
JULY 1, 1975-DECEMBER 31, 1975-----55 TO 1
JANUARY 1, 1976 - JUNE 30, 1976-----50 TO 1
JULY 1, 1976 -DECEMBER 31, 1977-----45 TO 1
END OF TEXT.

13. COPIES OF ABOVE AGREEMENT BEING AIR POUCHED.

14. POLISH NOTE AND U.S.-POLISH AGREED NOTICE TO
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ANNUITANTS FOLLOW IN SEPTELS. KISSINGER

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<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PL 480, COMMODITIES, AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: SmithRJ
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE115796
Document Source: ADS
Document Unique ID: 00
Drafter: EB/IFD/OMA:MMINNIES:DLS
Enclosure: n/a
Executive Order: 11652 SUBJECT= n/a
Errors: n/a
Film Number: D750174-1129
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197505102/baaaajyt.tel
Line Count: 236
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: SmithRJ
Review Comment: n/a
Review Content Flags:
Review Date: 09 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 JUN 2003 by izenbei0>; APPROVED <20 OCT 2003 by SmithRJ>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: data_error
TAGS: EFIN, US, PL
To: WARSAW
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006